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First session
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Item 6 of the provisional agenda

DRAFT REPORT OF THE AD HOC WORKING GROUP ON TRADE EFFICIENCY ON ITS FIRST SESSION

Held at the Palais des Nations, Geneva,
from 16 to 20 November 1992

Rapporteur: Mr. A. Brahime (Morocco)

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 4
I.	Establishment of the work programme of the Working Group (agenda item 3)	5 - 6
II.	Organizational matters	7 - 11
Annex	Membership and attendance	

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INTRODUCTION

1. The Ad Hoc Working Group on Trade Efficiency, established in accordance with paragraph 79 of the Cartagena Commitment, held its first session at the Palais des Nations, Geneva, from 16 to 20 November 1992. In the course of the session, the Ad Hoc Working Group held ..... meetings. 1/

Opening statements

2. The Chairman drew attention to the conjunction of two separate forces - global and institutional - which had come together creating a unique opportunity in the field of trade efficiency. Globally there were signs of an end to recession, the first fruits of structural adjustment were being realized and the pace of trade and investment was quickening. Since 1950, trade had grown from US$ 61 billion to nearly US$ 3.5 trillion in 1990. This growth had had a positive effect on development. The increasing importance of foreign direct investment, transnational corporations, the global equities investor's role and the gross volume of trade all showed that globalization was already a fact of life. Ways must be found for the medium- and small-scale exporter to share fully in the world market opportunities. Institutionally, a revitalized UNCTAD had been imbued with a new spirit of cooperation for development. The Cartagena Commitment forged at UNCTAD VIII was not only a statement of determination to support certain ideals but also reflected the new opportunities for cooperation now possible because of political, social and economic changes around the world. The programme of work which the Ad Hoc Working Group would draw up in the course of its session should increase countries' trading capacities because trade efficiency was the "spark plug" igniting the engines of economic growth. Through trade efficiency, the techniques of paperless business transactions in commerce and Government were being transformed for the benefit of all enterprises in all countries. By spreading the use of such techniques, UNCTAD could offer members a unique opportunity to gain market access, assure greater global competitiveness and transfer technology. The task before the Ad Hoc Working Group was threefold: (a) to determine a work programme or plan of action; (b) to set in motion measures to create a global network for a Trade

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1/ For the terms of reference of the Ad Hoc Working Group, see Trade and Development Board decision 398 (XXXVIII), annex, Section C.

Point Centre; and (c) to start preparations for an international symposium on trade efficiency, to be held in the fall of 1994. This symposium would allow the Working Group to share its cumulative knowledge and experience with the world.

3. The Deputy Secretary-General of UNCTAD stressed the importance of the presence at the current session of experts, academics and representatives from the private sector as being an illustration of promising new methods of work. He called attention to the spirit of close and fruitful cooperation with other United Nations bodies that characterized the approach of the Ad Hoc Working Group on Trade Efficiency, citing in this regard the involvement of the Economic Commission for Europe's WP4, which constituted one of the pillars of trade efficiency, as well as the jointly organized meeting with the International Trade Centre, planned to take place during the session. Trade flows had been increasingly marked by globalization, strategic alliances between enterprises and the creation of global information networks. In this context, the focus of the international community must be on assuring that the enterprises of every country participate fully in international trade, as it was the instrument of development and transition towards an open global economy. To this end, UNCTAD proposed taking steps to reduce the cost of trade transactions by $75 billion annually up to the year 2000, to create new trade links and to integrate small- and medium-sized enterprises into global trade. These goals could not be realized without the active support of the private sector which held the key to revitalizing international trade. In the course of the session, representatives from private enterprise would be called upon to describe their proposed solutions. The International Symposium on Trade Efficiency, planned for 1994, was expected to offer an unprecedented forum in which to evaluate solutions for rendering international trade more efficient as well as for assessing the models or guidelines for integrating developing countries, economies in transition and the small and medium-sized enterprises of all the countries around the world into the development process. However, the immediate task of the Group was to establish a programme of work. It would also be expected to draw up an agenda for its second meeting, consider the possibility of setting up expert groups to deal with specific subjects and prepare for the 1994 symposium.

4. The Chief of the Special Programme on Trade Efficiency outlined the main goals of the programme: the first was to reduce transaction costs and the second was to increase participation in international trade. Means to achieve this was the use of advance information technology. UNCTAD's work in the

field of trade efficiency through the Ad Hoc Working Group and through the Trade Points would culminate in the 1994 Symposium on Trade Efficiency. The work of the Economic Commission for Europe (ECE-WP4), on trade facilitation and electronic data interchange (EDI), and of the International Trade Centre, on trade promotion were examples of activities of particular relevance to the Ad Hoc Working Group. A main thrust of the activities of the Ad Hoc Working Group would be to allow exchanges of experience between participants, identification of areas where the work of other bodies could be profitably complemented, and mobilization of expertise in the relevant areas.

Chapter I

ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

(Agenda item 3)

5. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

"Issues and timetable: note by the UNCTAD secretariat"
(TD/B/WG.2/2)

6. At its 1st plenary meeting, on 16 November 1992, the Ad Hoc Working Group decided to discuss agenda item 3 in informal meetings.

[to be completed]

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

7. The first session of the Ad Hoc Working Group was opened on 16 November 1992 by the Deputy Secretary-General of UNCTAD.

B. Election of officers

(Agenda item 1)

8. At its 1st plenary meeting on 16 November 1992, the Ad Hoc Working Group elected its officers as follows:

Chairman:	Mrs. E. Shelton	(United States of America)
Vice-Chairmen:	Mr. A.-R. Al Sohaibani	(Saudi Arabia)
	Mr. E. Dreyfous	(France)
	Mr. M. Kisiri	(United Republic of Tanzania)
	Mr. A. Moschini	(Argentina)
	Mr. A. Filippov	(Russian Federation)
Rapporteur:	Mr. A. Brahime	(Morocco)

C. Adoption of the agenda and organization of work

(Agenda item 2)

9. The spokesman for the European Economic Community (United Kingdom) and the representative of the Russian Federation expressed concern that the timetable proposed by the secretariat might not allow the Working Group to discuss its work programme until the very end of the session.

10. The Chairman proposed that the format suggested be tried and revised if necessary in the course of the session.

11. At its 1st plenary meeting on 16 November 1992, the Ad Hoc Working Group adopted its provisional agenda (TD/B/WG.2/1) as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Working Group
4. Provisional agenda for the second session of the Working Group
5. Other business
6. Adoption of the report of the Working Group to the Board

D. Provisional agenda for the second session of the Working Group

(Agenda item 4)

[to be completed]

E. Other business

(Agenda item 5)

[to be completed as necessary]

F. Adoption of the report of the Working Group to the Board

(Agenda item 6)

[to be completed]